



DEPARTMENT OF COMMERCE

Submission for OMB Review; Comment Request

The Department of Commerce will submit to the Office of Management and Budget (OMB) for clearance the following proposal for collection of information under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35).

Agency: U.S. Census Bureau.

Title: Quarterly Survey of Plant Capacity Utilization.

OMB Control Number: 0607-0175.

Form Number(s): MQ-C2.

Type of Request: Extension of a currently approved collection.

Number of Respondents: 7,500.

Average Hours Per Response: 2 hours and 5 minutes.

Burden Hours: 62,500.

Needs and Uses: The U. S. Census Bureau on behalf of the Federal Reserve Board (FRB) and the Defense Logistics Agency (DLA), within the Department of Defense (DOD), requests an extension of approval for the Quarterly Survey of Plant Capacity Utilization (QPC). The survey provides information on use of industrial capacity in manufacturing and publishing plants as defined by the North American Industry Classification System (NAICS). The Survey of Plant Capacity Utilization began in the 1970's as an annual survey that collected fourth quarter data only. The annual survey continued through 2006. In 2007 the FRB requested that the survey be converted to a quarterly survey due to the necessity for quarterly data rather than annual. The survey is the only source of capacity rates at industry levels. Changes in capacity utilization are

considered important indicators of investment demand and inflationary pressure. For these reasons, the estimates of capacity utilization are closely monitored by government policy makers and private sector decision makers.

This survey utilizes a multi-mode data collection process that includes internet reporting, fax, telephone and mail. The survey collects the value of quarterly production and the value of production that could be achieved if operating under “full production” capability and “emergency production” capability. The ratio of the actual to the full is the basis of the estimates of full capacity utilization rates and similarly, the actual to the emergency for the emergency capacity utilization rates. The survey also collects information by shift, on work patterns at the actual production level.

The FRB is the primary user of the current QPC data and expressed the need for these quarterly data. FRB publishes measures of industrial production (IP), capacity, and capacity utilization in its G.17 statistical release, which has been designated by the federal government as a Principal Federal Economic Indicator. Utilization rates from the QPC are

a principle source for the measures of capacity and capacity utilization. The indexes of IP are either estimated from physical product data or estimated from monthly data on inputs to the production process, specifically production worker hours and an indicator of capital input. For many years, data on electric power use was used as the indicator of industry capital input. The deregulation of electricity markets led to the deterioration in the coverage and quality of the electricity data. As a result, in November 2005, the FRB discontinued its use of the industrial electric power data in the current estimates of IP. In order to maintain the quality of the IP index, the collection of these quarterly data, including the utilization rate data and the workweek of capital, are critical indicators of capital input use and industry output.

The FRB uses these data in several ways. First, the QPC data is the primary source of the benchmark information for the capacity indexes and utilization rates published by the FRB. Second, the QPC utilization rate data and the capital workweek data are used as an indicator of capital use in the estimation of monthly IP. Third, the QPC

utilization rate data and the workweek data are used to improve the projections of labor productivity that are used to align IP with comprehensive benchmark information from the Economic Census covering the Manufacturing sector and the Annual Survey of Manufactures. Finally, utilization rate data will assist in the assessment of recent changes in IP, as most of the high-frequency movement in utilization rates reflect production changes rather than capacity changes.

The DLA uses the data to assess readiness to meet demand for goods under selected national emergency scenarios.

In addition to the FRB and DLA uses, these data are published on the Census Bureau's website, <http://www.census.gov/manufacturing/capacity/index.html>.

Affected Public: Business or other for-profit.

Frequency: Quarterly.

Respondent's Obligation: Voluntary.

Legal Authority: Title 13, United States Code, Section 8(b), 50 U.S.C. Section 98,

et. seq, and 12 U.S.C. Section 244.

This information collection request may be viewed at www.reginfo.gov. Follow the instructions to view Department of Commerce collections currently under review by OMB.

Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to

OIRA_Submission@omb.eop.gov or fax to (202)395-5806.

Dated: August 18, 2015

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